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TIGER TECH

Tiger Tech Holdings Limited **老虎科技 (控股) 有限公司***

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE TRANSACTION: PLACING OF NEW SHARES

The Board announces that on 15th January 2004, the Company has entered into the Placing Agreement, whereby it has conditionally agreed to place 20,000,000 new Shares to independent investors through the Placing Agent at the Placing Price.

The Placing Shares represents approximately 4.94% of the existing issued share capital of the Company, and approximately 4.71% of the issued share capital of the Company as enlarged by the Placing. The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 28th November 2003.

The Placing Price of HK\$0.4 per Placing Share represents a discount of approximately 13.97% to the closing price of HK\$0.465 per Share as quoted on the Stock Exchange on 14th January 2004, being the immediate trading day prior to the date of the Placing Agreement and a discount of approximately 17.86% to the average closing price of approximately HK\$0.487 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 14th January 2004.

The Board considers that the Placing will enlarge the shareholder base and capital base of the Company and will strengthen the financial position of the Group. The net proceeds of approximately HK\$7.1 million from the Placing will be used as follows:

Approximately HK\$4 million will be held by the Group for potential acquisitions of and investments in businesses which may enhance the operational and financial performance of the Group's existing and future business activities; approximately HK\$1 million for purchase of inventory and the balance of approximately HK\$2.1 million as general working capital of the Company.

* For identification purposes only

The Placing constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules, as the Consideration represents approximately 42.42% and 43.79% of the consolidated net tangible asset value of the Company as at 30th June 2003 and 30th September 2003 respectively. A circular containing, among other matters, details of the Placing will be dispatched to the shareholders of the Company within 21 days after the date of publication of this announcement.

Pursuant to the Placing Agreement, the Placing Agent has been granted an Option to require the Company to allot and issue up to an additional 20,000,000 New Shares at the Placing Price of HK\$0.4 per Placing Share within 6 months started from the signing of the Placing Agreement. The allotment and issuance of up to an additional 20,000,000 New Shares are pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 28th November 2003. If the Option is exercised in full, the aggregate of Placing Shares will represent approximately 9.88% of the existing issued share capital of the Company and approximately 8.99% of the issued share capital of the Company as enlarged by the Placing. The possible transaction will constitute a major transaction under the GEM Listing Rules and approval by the shareholders will be required and the Company will comply with all applicable requirements under the GEM Listing Rules.

Trading in the securities of the Company was suspended from 9:30 a.m. on 15th January 2004 at the request of the Company pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares on the Stock Exchange from 9:30 a.m. on 16th January 2004.

THE PLACING AGREEMENT

Date of Placing Agreement

15th January 2004

Placing Agent

Sinomax Securities Limited, a dealer registered under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong), is an independent third party not connected with any of the directors, chief executive, substantial shareholders or management shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the GEM Listing Rules).

Independence of placees

The Placing Shares will be placed to not less than 6 placees who are independent third parties not connected with any of the directors, chief executive, substantial shareholders or management shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the GEM Listing Rules). It is expected that the placees will be (i) professional and institutional investors generally including brokers, dealers and companies (including fund managers), involves dealing in securities and other investment tools; (ii) corporate entities which regularly invest in securities; and (iii) individual investors.

Placing Shares

20,000,000 new Shares, representing 4.94% of the existing issued share capital of the Company, and approximately 4.71% of the issued share capital of the Company as enlarged by the Placing, will be placed to independent investors on a fully underwritten basis. The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 28th November 2003.

The Placing Shares, when allotted and issued, will rank pari passu in all respects with the Shares in issue, including the right to receive all dividends, bonuses or distributions declared or proposed to be declared or paid by the Company as from the date of such allotment and issue.

Placing Price

The Placing Price of HK\$0.4 per Placing Share was arrived at after arm's length negotiations between the Company and the Placing Agent. It represents a discount of approximately 13.97% to the closing price of HK\$0.465 per Share as quoted on the Stock Exchange on 14th January 2004, being the immediate trading day prior to the date of the Placing Agreement and a discount of approximately 17.86% to the average closing price of approximately HK\$0.487 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 14th January 2004.

Condition of the Placing

The Placing is conditional upon the Stock Exchange granting or agreeing to grant, the listing of, and permission to deal in, all the Placing Shares to be subscribed by the Placees. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, all the Placing Shares to be subscribed by the placees as soon as possible.

Completion

Completion of the Placing Agreement is conditional on the GEM Listing Committee of the Stock Exchange granting listing of and permission to deal in the Placing Shares (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares). Completion of the Placing is expected to take place on or before 13th February, 2004.

DILUTION EFFECTS PURSUANT TO THE PLACING

Upon completion of the Placing, the dilution effects on the shareholding of the Company shall be as follows:

Shareholders	Existing number of Shares	%	Number of Shares upon completion of Placing	%
Bestmind Associates Limited (<i>Note</i>)	100,000,000	24.69	100,000,000	23.53
Precision Assets Limited (<i>Note</i>)	100,000,000	24.69	100,000,000	23.53
Timepiece Associates Limited (<i>Note</i>)	<u>100,000,000</u>	<u>24.69</u>	<u>100,000,000</u>	<u>23.53</u>
<i>Subtotal</i>	300,000,000	74.07	300,000,000	70.59
The Placees	–	–	20,000,000	4.71
Other Public Shareholders	<u>105,000,000</u>	<u>25.93</u>	<u>105,000,000</u>	<u>24.70</u>
<i>Subtotal</i>	<u>105,000,000</u>	<u>25.93</u>	<u>125,000,000</u>	<u>29.41</u>
Total	<u><u>405,000,000</u></u>	<u><u>100</u></u>	<u><u>425,000,000</u></u>	<u><u>100</u></u>

Note: The entire issued share capital of these companies are directly wholly owned by Mr. Tony Hoo, the initial management shareholder and executive director of the Company.

REASONS FOR THE PLACING AND THE USE OF PROCEEDS

The Group is principally engaged in the research, development, sales and implementation of Enterprise Thin Client Solutions, Customised Thin Client Application Solutions and Cable Network Thin Client Solutions.

The Company's Shares were successfully listed on GEM on 16th April 2003 by way of "offer for Placing", below is the table for the comparison of intended and actual use of proceeds up to the period ended 31st December 2003:

	31 March 2003 to 30 June 2003	1 July 2003 to 31 December 2003	31 March 2003 to 31 December 2003	31 March 2003 to 31 December 2003	31 March 2003 to 31 December 2003
	Actual amount HKD ('000)	Actual amount HKD ('000)	Accumulated actual amount HKD ('000)	Proposed amount as per prospectus HKD ('000)	Difference of accumulated actual amount and proposed amount HKD ('000)
Brand building – Marketing events in Asia	500	610	1,110	1,060	+50
Marketing and promotion – Organize and conduct joint marketing activities with product suppliers and distributors	480	900	1,380	1,300	+80
Sales – Setting up sales distribution channels and offices	2,200	0	2,200	2,600	–400
Research and development	1,030	1,330	2,360	2,400	–40
Inventory financing	1,200	2,870	4,070	2,000	+2,070
General working capital	–	1,430	1,430	2,000	–570
Total	5,410	7,140	12,550	11,360	+1,190

The Directors consider that there is no significant deviation. In view of the dynamic and ever changing IT industry, the amount of use of proceed is slightly different from those as planned in the prospectus under the actual course of business.

Although the Company has sufficient funds to operate the business, the Directors consider that it is in the best interest of the Company to raise further capital from the equity market by way of the Placing in order to enhance the capital base of the Company as well as to strengthen the cash flow of the Company. The Directors consider that the terms of the Placing are fair and reasonable and in the interests of the shareholders as a whole. The net proceeds of approximately HK\$7.1 million from the Placing will be used as follows:

- approximately HK\$4 million will be held by the Group for potential acquisitions of and investments in businesses which may enhance the operational and financial performance of the Group's existing and future business activities;
- approximately HK\$1 million for purchase of inventory, and;
- the balance of approximately HK\$2.1 million as general working capital of the Company.

The Company has not identified any specific acquisition/investment for the use of the placing proceeds at this stage and will disclose information regarding any such specific acquisition/investment in accordance with the GEM Listing Rules.

GENERAL

The Placing constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules, as the Consideration represents approximately 42.42% and 43.79% of the consolidated net tangible asset value of the Company as at 30th June 2003 and 30th September 2003 respectively. A circular containing, among other matters, details of the Placing will be dispatched to the shareholders of the Company within 21 days after the date of publication of this announcement

OPTION GRANTED TO THE PLACING AGENT

Pursuant to the Placing Agreement, the Placing Agent has been granted an Option to require the Company to allot and issue up to an additional 20,000,000 New Shares at the Placing Price of HK\$0.4 per Placing Share within 6 months started from the signing of the Placing Agreement. The allotment and issuance of up to an additional 20,000,000 New Shares are pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 28th November 2003. If the Option is exercised in full, the aggregate of Placing Shares will represent approximately 9.88% of the existing issued share capital of the Company and approximately 8.99% of the issued share capital of the Company as enlarged by the Placing. The possible transaction will constitute a major transaction under the GEM Listing Rules and approval by the shareholders will be required and the Company will comply with all requirements applicable under the GEM Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING OF SHARES

Trading in the securities of the Company was suspended from 9:30 a.m. on 15th January 2004 at the request of the Company pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares on the Stock Exchange from 9:30 a.m. on 16th January 2004.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Additional Placing Shares”	up to 20,000,000 New Shares which the Company may be required to issue at the Placing Price pursuant to the Option granted to the Placing Agent
“Board”	board of Directors
“Company”	Tiger Tech Holdings Limited, the shares of which are listed on the GEM Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Option”	the option granted by the Company to the Placing Agent to require the Company to allot and issue up to an aggregate of 20,000,000 additional New Shares
“Placing”	Placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agent”	Sinomax Securities Limited, a dealer registered under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong)
“Placing Agreement”	The conditional agreement dated 15th January 2004 and entered into between the Company and the Placing Agent for the Placing
“Placing Price”	HK\$0.4 per Placing Share
“Placing Shares”	20,000,000 New Shares to be placed by the Company pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

“%”

per cent

By Order of the Board
Tiger Tech Holdings Limited
Tony Hoo
Executive Director

Hong Kong, 15th January 2004

This announcement will remain on the GEM website on the “Latest Company Announcement” page for at least 7 days from the date of its posting.

This announcement for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.